

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

OMB Waiver Letter In ERU File

September 10, 1958

Dear Ed:

In response to your inquiry of yesterday concerning the names of people in various agencies with whom the Bureau dealt in last year's annual intelligence cost estimate exercise, I have gleaned the following from the file.

1. In AEC the responsible person was Mr. Herman A. Usher of the Division of Finance. Because of the small intelligence effort of AEC we had no occasion to deal directly with Mr. Usher but his name was given to us as the responsible person in case of such need.

2. In the Department of State the estimates were signed by Mr. William O. Hall, Deputy Assistant Secretary for Budget and Finance, although actual operational responsibility for putting the estimates together was borne by Mr. Austin Nisonger. It is my understanding that this function will be handled in the future by Mr. Andy Wallen.

3. In the Department of Defense conditions were somewhat more complex. Officially we dealt with Mr. Clyde Elliott, a member of Mr. W. J. McNeil's staff. Mr. Elliott had responsibility for drawing together the service submissions but in order to get at the bottom of the service estimates we were forced to deal with service representatives themselves. In this capacity, we encountered Lt. Col. Ray Lewis for the Army, Lt. Col. Ed Iseliger and a Mr. Leonard Baldinger for the Air Force and Mr. Don Headings for the Navy. In addition, and of particular value to me in attempting to bring the service estimates into a unified whole, was an association with Mr. Randolph Zander of the Office of Special Operations, under the Secretary of Defense.

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4. For NSA the responsible person was [redacted]
It is my understanding that he is from the NSA Comptroller's office.

As I told you yesterday one of the problems we encountered in dealing with these estimates concerned itself with security. In the various services the normal representative is not cleared for handling special intelligence data. As a consequence the services would normally

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make two submissions to Mr. Clyde Elliott, one for regular intelligence and one for special intelligence and we in turn faced the problem of dealing with them separately depending on their clearance. Perhaps you will be able to solve this problem by obtaining the necessary clearances for all personnel who become involved in this exercise; if so, it would greatly facilitate future endeavors. The only people who I dealt with who had full clearance for special intelligence, regular intelligence and CIA were Clyde Elliott and Randolph Zander.

Although I do not wish to be presumptuous in telling you whom to invite to your meeting on September 18, I should think it would be especially desirable to have Mr. Zander there in view of his long time experience in the annual cost studies.

If there is any further information you need pertaining to this problem please do not hesitate to call.

Sincerely yours,



Frank A. Ecker

Mr. E. R. Saunders
Central Intelligence Agency
Washington 25, D. C.

P.S. As I told you, the Bureau would like to include Mr. Gerry Pettibone of our Military Division in these talks. If you would like to get him a CIA clearance, so that he can participate in full, that will be fine with us.

~~CONFIDENTIAL~~

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Office Memorandum • UNITED STATES GOVERNMENT

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TO : (See Distribution)

SEP 1958

FROM : Chairman, IAC Working Group

SUBJECT: Instructions on Estimated Fiscal Year 1958 Foreign Intelligence Costs Report

1. At a meeting held 9 September 1958, of the IAC working group appointed to review the report prepared by the Bureau of the Budget on the estimated cost of foreign, positive and strategic intelligence, it was decided that the Chairman of the Working Group should forward to each member of the committee the instructions issued by the Bureau of the Budget covering the preparation of the report for Fiscal Year 1958.

2. Attached are the instructions referred to in the above paragraph.

E. R. SAUNDERS

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